



COMMONWEALTH of VIRGINIA

**DEPARTMENT OF MEDICAL ASSISTANCE SERVICES
600 East Broad Street, Suite 1300
Richmond, VA 23219**

October 3, 2008

ADDENDUM No. 4 TO VENDORS:

Reference Request for Proposal: RFP 2008-02

Dated: August 13, 2008

Due: November 14, 2008

Below are updates that may delete, add, modify or clarify certain aspects of the aforementioned RFP. Please incorporate as necessary.

Appendix F.I, Page F.I-1:

ADD - Add section header 5.1.1, Business Operations Support, above subsection 5.1.1.1, Enroll Providers (see below).

	Requirements	Supplier Response	Comments
	5.1.1 Business Operations Support		
	5.1.1.1 Enroll Providers	Yes/No/ Future	

Appendix F.I, Page F.I-12:

ADD – Add section header 5.1.7, Takeover/Turnover, above subsection 5.1.7.1, Takeover (see below).

	5.1.7 Takeover / Turnover		
	5.1.7.1 Takeover	Yes/No/ Future	

- 1) As referenced throughout the RFP, change Small Business Enterprise (SBE) to Small Business.**
- 2) Section 2.1.13, Evaluation Process, has been updated. See Attachment 1 for replacement.**

3) See Attachments 2-4 for sample evaluation forms to be utilized in the evaluation process.

4) Within Appendix E.V, Fiscal Agent Services Standard Agreement, Appendix F.IV, Provider Enrollment Services Standard Agreement, and Appendix G.IV, Drug Rebate Services Standard Agreement, replace clause number 12, Reporting, with clause referenced in Attachment 5.

Note: A signed acknowledgment of this addendum must be received by this office either prior to the due date and hour required or attached to your proposal response. Signature on this addendum does not substitute for your signature on the original proposal document. The original proposal document must be signed.

Sincerely,

Christopher M. Banaszak

DMAS Contract Manager

Name of Firm: _____

Signature and Title: _____

Date: _____

Attachment 1
RFP 2008-02, Addendum 4

2.1.13 EVALUATION PROCESS

The evaluation process is divided into four phases. Each phase is identified with a corresponding number to the Evaluation Criteria posted on the DMAS RFP 2008-02 Web Site and eVA Web Site.

1. DMAS will review each proposal received by the due date and in time to determine whether it meets the Must Have (M) factors of this RFP. All Must Have factors are evaluated on a met or not met basis. Any proposal that does not meet all of the Must Have factors will be set aside and receive no further consideration.

2. The proposals that meet all the Must Have criteria will be distributed to the evaluation teams who will assess and score each Offeror's responses to the requirements for Fiscal Agent Services, or Provider Enrollment Services, or Drug Rebate Services based on a review of the submitted materials, excluding cost proposals. The DMAS Contract Officer will calculate the Small Business Subcontracting Plan score for each Offeror.

DMAS may request that Offerors clarify or explain certain aspects of their proposals.

At any point in the evaluation process, DMAS may employ any or all of the following means of evaluation:

- Reviewing industry research
- Offeror presentations
- Site visits
- Contacting Offeror's references
- Product demonstrations/pilot tests
- Requesting Offerors elaborate on or clarify specific portions of their proposals.

No Offeror is guaranteed an opportunity to explain, supplement or amend its initial proposal. Offerors must not submit a proposal assuming that there will be an opportunity to negotiate, amend or clarify any aspect of their submitted proposals. Therefore, each Offeror is encouraged to ensure that its initial proposal contains and represents its best offering.

Offerors should be prepared to conduct product demonstrations, pilot tests, presentations or site visits at the time, date and location of DMAS' choice, should DMAS so request.

3. Based on the total score, DMAS will select for negotiations two or more Offerors whose proposals are deemed to be fully qualified and best suited. If DMAS determines in writing that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror.

4. Once negotiations are complete, the following steps will occur:

- The Evaluation Teams recalculate the responses to the requirements if those responses have changed;
- The DMAS Contract Officer recalculates the Small Business Subcontracting Plan score for each Offeror, if the cost proposal has changed.

DMAS will calculate Best Value in accordance with the Evaluation Criteria posted on the DMAS RFP 2008-02 Web Site and eVA Web Site. DMAS shall award the contract(s) to the Offeror(s) with the highest Best Value score(s).

If any Offeror fails to provide the necessary information for negotiations in a timely manner, or fails to negotiate in good faith, DMAS may terminate negotiations with that Offeror at any time.

DMAS reserves the right, at its sole discretion, to reject any proposal or cancel and re-issue the RFP. In addition, DMAS reserves the right to accept or reject in whole any proposal submitted, and to waive minor technicalities when in the best interest of the Commonwealth. **DMAS SHALL NOT BE CONTRACTUALLY BOUND TO ANY OFFEROR PRIOR TO THE EXECUTION OF A DEFINITIVE WRITTEN CONTRACT.**

Evaluation Criteria

Attachment 2 RFP2008-02, Addendum 4

RFP 2008-02 Fiscal Agent Services Evaluation Form

			1		Responses to "Must Haves" reviewed by Contract Management Officer			
Item	Description		Vendor 1		Vendor 2		Vendor 3	
1	(M) Proposal must be received by the due date. No late proposals will be accepted for review.		YES/NO		YES/NO		YES/NO	
2	(M) If awarded a contract pursuant to this RFP, Offeror agrees to be bound by all the laws of the Commonwealth of Virginia and all Federal laws and regulations pertaining to this transaction.		YES/NO		YES/NO		YES/NO	
3	(M) Offeror must provide a response to Section 2 and a proposal response for Fiscal Agent Services.		YES/NO		YES/NO		YES/NO	
4	(M) If the Offeror is submitting a proposal for Fiscal Agent Services, the procurement must be for a takeover of DMAS' existing MMIS, a new system will not be considered.		YES/NO		YES/NO		YES/NO	
5	(M) Offeror must submit its one-time Takeover cost separate from the cost proposal for each procurement section. The Commonwealth of Virginia reserves the right to negotiate the Takeover fee.		YES/NO		YES/NO		YES/NO	
6	(M) Offeror must submit a takeover approach plan at time of proposal. The plan requirements are identified in Appendix E.I in the takeover section.		YES/NO		YES/NO		YES/NO	
7	(M) Representative(s) of Offeror must have attended the mandatory pre-proposal conference.		YES/NO		YES/NO		YES/NO	
			2		Responses to Requirements are scored and DMAS may ask for clarifications. The Score column is multiplied by the Weight column to arrive at the Weighted Score column.			
			Vendor 1		Vendor 2		Vendor 3	
Section	Description	Weight	Score (0-5)	Weighted Score	Score (0-5)	Weighted Score	Score (0-5)	Weighted Score
4.1.1.1	Claims Services	75	1	75	2	150	3	225
4.1.1.2	Financial Services	75	1	75	2	150	3	225
4.1.1.3	Recipient Services	10	1	10	2	20	3	30
4.1.1.4	Pharmacy Services	65	1	65	2	130	3	195
4.1.1.5	EDI	40	1	40	2	80	3	120
4.1.1.6	Other Business Operations Services	10	1	10	2	20	3	30
4.1.2	Fiscal Agent Applications Support	75	1	75	2	150	3	225
4.1.2.19	DMAS Technology Applications	25	1	25	2	50	3	75
4.1.3	Platform Management	75	1	75	2	150	3	225
4.1.4	Documentation Management	30	1	30	2	60	3	90
4.1.5	Security and Risk Management	25	1	25	2	50	3	75

Evaluation Criteria

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4.1.6	Change Management	20	1	20	2	40	3	60
4.1.7.1	MMIS Screens	25	1	25	2	50	3	75
4.1.7.2	DMAS Medicaid Web Portal	25	1	25	2	50	3	75
4.1.7.3	Executive Support System (Optional)	0	0	0	0	0	0	0
4.1.7.4	Offeror Proposed Enhancements (Optional)	0	0	0	0	0	0	0
4.1.8	Takeover/Turnover	75	1	75	2	150	3	225
4.2	Staffing Requirements	75	1	75	2	150	3	225
2.3	Offeror Profile	50	1	50	2	100	3	150
Appendix E.V	Contract	25	1	25	2	50	3	75
	Evaluation Score (sum of weighted scores)		a.	800		1,600		2,400
Appendix A.I	Small Business Subcontracting Plan (SBSP) Scoring			Vendor 1 (not a Small Business)		Vendor 2 (a Small Business)		Vendor 3 (not a Small Business)
	*Small Business Subcontracting Plan Score If a vendor is a certified Small Business and prime, it receives the maximum available SBSP points, otherwise use the formula found below.	1,000	b.	500		1,000		100
	Total Score		c. = a. + b.	1,300		2,600		2,500
	Cost Proposal (used only for SBSP scoring)		d.	\$1,800,000		\$2,000,000		\$2,500,000
	Small Business Subcontracting Plan Dollar Amount		e.	\$900,000		N/A		\$250,000
		3	DMAS selects fully qualified and best suited Offerors based on Total Score. These Offerors are considered for negotiations					
				Vendor 1		Vendor 2		Vendor 3
				No		Yes		Yes
		4	<p>Once negotiations are complete, the following steps will occur:</p> <ul style="list-style-type: none"> o The Evaluation Teams recalculate the responses to the requirements if those responses have changed; o The DMAS Contract Officer recalculates the Small Business Subcontracting Plan score for each Offeror, if the cost proposal has changed. <p>DMAS will calculate Best Value in accordance with the Best Value Score formula listed below. DMAS shall award the contract(s) to the Offeror(s) with the highest Best Value score(s).</p>					
	FINAL OFFER:							
	Negotiated Final Offer		f.			\$2,000,000		\$2,100,000
	BEST VALUE:							
	**Best Value Score		g.			130.00000		119.04762

Evaluation Criteria

Attachment 2 RFP2008-02, Addendum 4

Vendor 2 has the highest Best Value score and is awarded the contract.

Note: All prices used are for illustrative purposes only.

Formulas:

* The Small Business Subcontracting Plan (SBSP) Point Value is based on the following formula:

$$\text{SBSP Point Value (b.)} = \text{Available SBSP point value (1000)} \times \frac{\text{Offerors Proposed SBSP Dollar Amount (e.)}}{\text{Cost Proposal (d.)}}$$

** The Best Value calculation is based on the following formula:

$$\text{Best Value Score (g.)} = \frac{\text{Total Score (c.)}}{\text{Negotiated Final Offer (f.)}} \times 100,000 \text{ (a factor of five for easier comparison)}$$

Evaluation Criteria

Attachment 3 RFP 2008-02, Addendum 4

RFP 2008-02 Provider Enrollment Services Evaluation Form

			1		Responses to "Must Haves" reviewed by Contract Management Officer			
Item	Description		Vendor 1		Vendor 2		Vendor 3	
1	(M) Proposal must be received by the due date. No late proposals will be accepted for review.		YES/NO		YES/NO		YES/NO	
2	(M) If awarded a contract pursuant to this RFP, Offeror agrees to be bound by all the laws of the Commonwealth of Virginia and all Federal laws and regulations pertaining to this transaction.		YES/NO		YES/NO		YES/NO	
3	(M) Offeror must provide a response to Section 2 and a proposal response for Provider Enrollment Services.		YES/NO		YES/NO		YES/NO	
4	Not Applicable - Only For FAS Proposals		YES/NO		YES/NO		YES/NO	
5	(M) Offeror must submit its one-time Takeover cost separate from the cost proposal for each procurement section. The Commonwealth of Virginia reserves the right to negotiate the Takeover fee.		YES/NO		YES/NO		YES/NO	
6	(M) Offeror must submit a takeover approach plan at time of proposal. The plan requirements are identified in Appendix F.I in the takeover section.		YES/NO		YES/NO		YES/NO	
7	(M) Representative(s) of Offeror must have attended the mandatory pre-proposal conference.		YES/NO		YES/NO		YES/NO	
			2		Responses to Requirements are scored and DMAS may ask for clarifications. The Score column is multiplied by the Weight column to arrive at the Weighted Score column.			
			Vendor 1		Vendor 2		Vendor 3	
Section	Description	Weight	Score (0-5)	Weighted Score	Score (0-5)	Weighted Score	Score (0-5)	Weighted Score
5.1.1	Business Operations Support	250	1	250	2	500	3	750
5.1.2	Applications Support	100	1	100	2	200	3	300
5.1.3	Platform Management	50	1	50	2	100	3	150
5.1.4	Documentation Management	50	1	50	2	100	3	150
5.1.5	Security and Risk Management	25	1	25	2	50	3	75
5.1.6	Change Management	50	1	50	2	100	3	150
5.1.7	Takeover/Turnover	75	1	75	2	150	3	225
5.2	Staffing Requirements	125	1	125	2	250	3	375
2.3	Offeror Profile	50	1	50	2	100	3	150
Appendix F.IV	Contract	25	1	25	2	50	3	75
	Evaluation Score (sum of weighted scores)		a.	800		1,600		2,400
Appendix A.I	Small Business Subcontracting Plan (SBSP) Scoring			Vendor 1 (not a Small Business)		Vendor 2 (a Small Business)		Vendor 3 (not a Small Business)

Evaluation Criteria

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	*Small Business Subcontracting Plan Score If a vendor is a certified Small Business and prime, it receives the maximum available SBSP points, otherwise use the formula found below.	1,000	b.	500		1,000		100
	Total Score		c. = a. + b.	1,300		2,600		2,500
	Cost Proposal (used only for SBSP scoring)		d.	\$1,800,000		\$2,000,000		\$2,500,000
	Small Business Subcontracting Plan Dollar Amount		e.	\$900,000		N/A		\$250,000
		3	DMAS selects fully qualified and best suited Offerors based on Total Score. These Offerors are considered for negotiations					
				Vendor 1		Vendor 2		Vendor 3
				No		Yes		Yes
		4	<p>Once negotiations are complete, the following steps will occur:</p> <ul style="list-style-type: none"> o The Evaluation Teams recalculate the responses to the requirements if those responses have changed; o The DMAS Contract Officer recalculates the Small Business Subcontracting Plan score for each Offeror, if the cost proposal has changed. <p>DMAS will calculate Best Value in accordance with the Best Value Score formula listed below. DMAS shall award the contract(s) to the Offeror(s) with the highest Best Value score(s).</p>					
	FINAL OFFER:							
	Negotiated Final Offer		f.			\$2,000,000		\$2,100,000
	BEST VALUE:							
	**Best Value Score		g.			130.00000		119.04762

Vendor 2 has the highest Best Value score and is awarded the contract.

Note: All prices used are for illustrative purposes only.

Formulas:

* The Small Business Subcontracting Plan (SBSP) Point Value is based on the following formula:

$$\text{SBSP Point Value (b.)} = \frac{\text{Available SBSP point value (1000)} \times \text{Offerors Proposed SBSP Dollar Amount (e.)}}{\text{Cost Proposal (d.)}}$$

** The Best Value calculation is based on the following formula:

$$\text{Best Value Score (g.)} = \frac{\text{Total Score (c.)}}{\text{Negotiated Final Offer (f.)}} \times 100,000 \text{ (a factor of five for easier comparison)}$$

Evaluation Criteria

Attachment 4 RFP 2008-02, Addendum 4

RFP 2008-02 Drug Rebate Services Evaluation Form

			1		Responses to "Must Haves" reviewed by Contract Management Officer			
Item	Description		Vendor 1		Vendor 2		Vendor 3	
1	(M) Proposal must be received by the due date. No late proposals will be accepted for review.		YES/NO		YES/NO		YES/NO	
2	(M) If awarded a contract pursuant to this RFP, Offeror agrees to be bound by all the laws of the Commonwealth of Virginia and all Federal laws and regulations pertaining to this transaction.		YES/NO		YES/NO		YES/NO	
3	(M) Offeror must provide a response to Section 2 and a proposal response for Drug Rebate Services.		YES/NO		YES/NO		YES/NO	
4	Not Applicable - Only For FAS Proposals		YES/NO		YES/NO		YES/NO	
5	(M) Offeror must submit its one-time Takeover cost separate from the cost proposal for each procurement section. The Commonwealth of Virginia reserves the right to negotiate the Takeover fee.		YES/NO		YES/NO		YES/NO	
6	(M) Offeror must submit a takeover approach plan at time of proposal. The plan requirements are identified in Appendix G.I in the takeover section.		YES/NO		YES/NO		YES/NO	
7	(M) Representative(s) of Offeror must have attended the mandatory pre-proposal conference.		YES/NO		YES/NO		YES/NO	
			2		Responses to Requirements are scored and DMAS may ask for clarifications. The Score column is multiplied by the Weight column to arrive at the Weighted Score column.			
			Vendor 1		Vendor 2		Vendor 3	
Section	Description	Weight	Score (0-5)	Weighted Score	Score (0-5)	Weighted Score	Score (0-5)	Weighted Score
6.1.1	Business Operations Support	175	1	175	2	350	3	525
6.1.2	Applications Support	125	1	125	2	250	3	375
6.1.3	Platform Management	50	1	50	2	100	3	150
6.1.4	Documentation Management	50	1	50	2	100	3	150
6.1.5	Security and Risk Management	50	1	50	2	100	3	150
6.1.6	Change Management	25	1	25	2	50	3	75
6.1.7	Takeover/Turnover	150	1	150	2	300	3	450
6.2	Staffing Requirements	100	1	100	2	200	3	300
2.3	Offeror Profile	50	1	50	2	100	3	150
Appendix G.IV	Contract	25	1	25	2	50	3	75
	Evaluation Score (sum of weighted scores)		a.	800		1,600		2,400
Appendix A.I	Small Business Subcontracting Plan (SBSP) Scoring			Vendor 1 (not a Small Business)		Vendor 2 (a Small Business)		Vendor 3 (not a Small Business)

Evaluation Criteria

Attachment 4 RFP 2008-02, Addendum 4

	*Small Business Subcontracting Plan Score If a vendor is a certified Small Business and prime, it receives the maximum available SBSP points, otherwise use the formula found below.	1,000	b.	500		1,000		100
	Total Score		c. = a. + b.	1,300		2,600		2,500
	Cost Proposal (used only for SBSP scoring)		d.	\$1,800,000		\$2,000,000		\$2,500,000
	Small Business Subcontracting Plan Dollar Amount		e.	\$900,000		N/A		\$250,000
		3	DMAS selects fully qualified and best suited Offerors based on Total Score. These Offerors are considered for negotiations					
				Vendor 1		Vendor 2		Vendor 3
				No		Yes		Yes
		4	<p>Once negotiations are complete, the following steps will occur:</p> <ul style="list-style-type: none"> o The Evaluation Teams recalculate the responses to the requirements if those responses have changed; o The DMAS Contract Officer recalculates the Small Business Subcontracting Plan score for each Offeror, if the cost proposal has changed. <p>DMAS will calculate Best Value in accordance with the Best Value Score formula listed below. DMAS shall award the contract(s) to the Offeror(s) with the highest Best Value score(s).</p>					
	FINAL OFFER:							
	Negotiated Final Offer		f.			\$2,000,000		\$2,100,000
	BEST VALUE:							
	**Best Value Score		g.			130.00000		119.04762

Vendor 2 has the highest Best Value score and is awarded the contract.

Note: All prices used are for illustrative purposes only.

Formulas:

* The Small Business Subcontracting Plan (SBSP) Point Value is based on the following formula:

$$\text{SBSP Point Value (b.)} = \frac{\text{Available SBSP point value (1000)} \times \text{Offerors Proposed SBSP Dollar Amount (e.)}}{\text{Cost Proposal (d.)}}$$

** The Best Value calculation is based on the following formula:

$$\text{Best Value Score (g.)} = \frac{\text{Total Score (c.)}}{\text{Negotiated Final Offer (f.)}} \times 100,000 \text{ (a factor of five for easier comparison)}$$

Attachment 5
RFP 2008-02, Addendum 4

12. SMALL BUSINESS SUBCONTRACTING AND EVIDENCE OF COMPLIANCE:

A. It is the goal of the Commonwealth that 40% of its purchases be made from small businesses. This includes discretionary spending in prime contracts and subcontracts. All potential offerors are required to submit a Small Business Subcontracting Plan. Unless the offeror is registered as a DMBE-certified small business and where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the contractor is encouraged to offer such subcontracting opportunities to DMBE-certified small businesses. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received DMBE small business certification. No offeror or subcontractor shall be considered a Small Business, a Women-Owned Business or a Minority-Owned Business unless certified as such by the Department of Minority Business Enterprise (DMBE) by the due date for receipt of bids or proposals. If small business subcontractors are used, the prime contractor agrees to report the use of small business subcontractors by providing the purchasing office at a minimum the following information: name of small business with the DMBE certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product/service provided.

B. Each prime contractor who wins an award in which provision of a small business subcontracting plan is a condition of the award, shall deliver to the contracting agency or institution on a quarterly basis, evidence of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the small business subcontracting plan. When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the purchasing office at a minimum the following information: name of firm with the DMBE certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product or service provided. Payment(s) may be withheld until compliance with the plan is received and confirmed by the agency or institution. The agency or institution reserves the right to pursue other appropriate remedies to include, but not be limited to, termination for default.

C. Each prime contractor who wins an award valued over \$200,000 shall deliver to the contracting agency or institution on a quarterly basis, information on use of subcontractors that are not DMBE-certified small businesses. When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the purchasing office at a minimum the following information: name of firm, phone number, total dollar amount subcontracted, and type of product or service provided.